

# SUBSIDY AND JOB CREATION REPORT

TAX YEAR 2021

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# Executive Summary

## Survey Objective

In 2019, the Department of Commerce engaged a third-party consultant to evaluate seven of the City's most utilized economic incentive programs. It was found that a key challenge with our incentives portfolio is the complexity of our current system. Currently, many different programs are administered by different agencies, and tracking is limited due to state and federal taxpayer confidentiality laws. The City continues to work with City Council to evaluate all of our business supports and economic development incentives, including improved processes for collecting, reporting, and using data.

Previous versions of this report included the Job Creation Tax Credit (JCTC) and other tax-based subsidies. To ensure taxpayer confidentiality, we no longer collect this information. However, the Department of Revenue produces reports on several tax credit programs, including JCTC, which can be found at <https://www.phila.gov/documents/subsidy-and-job-creation-reports/>.

## Report Background

In accordance with [Bill #160015](#), the Department of Commerce uses an online self-reporting form to collect economic development and job creation data from Philadelphia businesses that: a) received \$50,000 or more in non-tax-based subsidies or financial assistance through City approval; or b) are located in a [Keystone Opportunity Zone](#) and had \$2 million or more in gross annual revenues.

## Main Results

In 2021, businesses that participated in the survey employed 3,726 full-time workers, 99 part-time workers, 189 seasonal or temporary workers, and 595 independently contracted workers, for a total of 4,609 job opportunities in Philadelphia. Survey respondents also provided several non-quantifiable benefits to their community, ranging from apprenticeship opportunities for youth to co-op programs with local colleges and universities.

# Methodology

Voluntary surveys were received from May 2022 through August 2022 using Formstack. Surveys were sent to potential qualifying businesses through various program and contact lists. After the survey responses were received, they were checked for completeness and accuracy. Surveys with fewer than two complete sections, duplicate submissions, and responses with numerical inconsistencies were omitted from the analysis.

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In total, **31 survey responses** were included in this report.



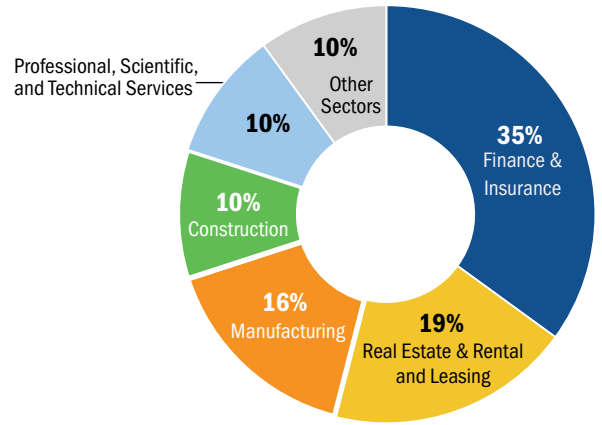
The number of respondents in each given analysis is included in the graph for transparency. Additionally, some respondents did not give responses to certain sections because the sections weren't applicable to their business (i.e. the business had no part-time jobs so they did not fill out the section on part-time employment).

This year, the number of survey respondents was lower in comparison to previous years, creating certain limitations in data analysis. We presume this was due to fewer businesses receiving subsidies, as well as the economic disturbance created by the COVID-19 pandemic. The small sample size of this year's survey may affect the representativeness of the analysis. The Department of Commerce continues to work on improving survey outreach and design to increase the survey response rate.



# Business Industry

Finance and Insurance was the largest industry represented in the survey data, comprising over a third of respondents. Real Estate and Rental and Leasing and Manufacturing followed in second and third. The remaining industries are shown in the graph below. All 31 respondents eligible for this analysis provided industry data.



## Sectors Reporting

**31**  
Total

**35%** **11**  
Finance & Insurance

**19%** **6**  
Real Estate & Rental and Leasing

**16%** **5**  
Manufacturing

**10%** **3**  
Construction

**10%** **3**  
Professional, Scientific, and Technical Services

**10%** **3**  
Other Sectors





# Financial Assistance Type

To be included in the report, businesses had to meet one of two qualifications:

- Be located in a Keystone Opportunity Zone (KOZ) with gross revenues greater than \$2 million
- Or receive subsidies of \$50,000 or more through City approval in 2021.

Almost all survey respondents were located in KOZs with gross revenues exceeding \$2 million. All respondents eligible for the analysis provided financial assistance type data.

## Type of Financial Assistance

97%

30

Keystone Opportunity Zone

3%

1

Subsidy

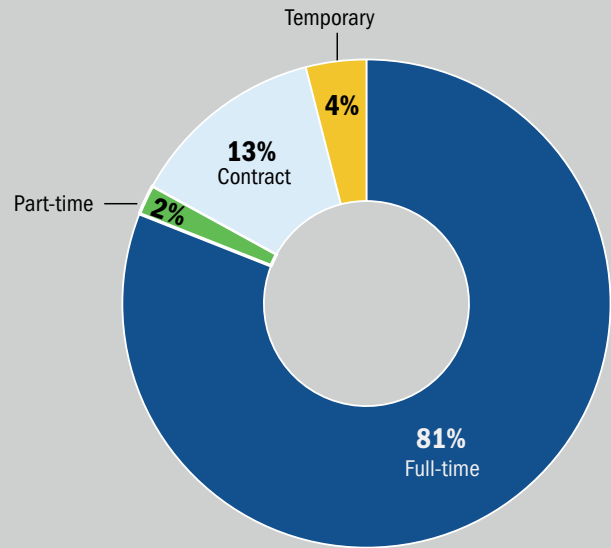
# 97%

of 2021 respondents were located in a KOZ and had over \$2 million in revenue.

# Employment by Job Type

In total, there were 4,609 jobs reported by survey respondents in 2021. The majority of jobs were full-time positions. **Over one-tenth** of jobs were independent contractors. Survey respondents also reported few part-time and temporary positions.

In total, **4,609 jobs reported** by survey respondents in 2021.



## Type of Job

**4,609**  
Total

**81%** **3,726**  
Full-time

**2%** **99**  
Part-time

**13%** **595**  
Contract

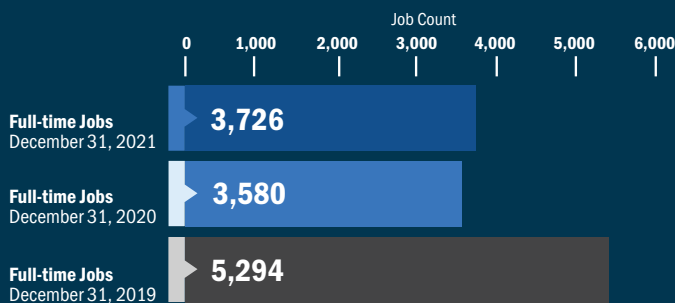
**4%** **189**  
Temporary



# Full-Time Jobs

## Full-time Employment

Overall, the respondents reported 3,726 full-time jobs. This represents the total number of full-time employees on December 31, 2021 in each income bracket. Note that there were more responses in 2021 than 2020, resulting in 146 more full-time jobs in Philadelphia reported amongst subsidy recipients compared to 2020. Twenty-four of 31 respondents eligible for the analysis provided full-time employment data. Full-time employees are defined as those who work, on average, at least 30 hours or more per week.



## Number of Full-time Jobs

**5,294**

As of December 31, 2019 (40 respondents)

**3,580**

As of December 31, 2020 (20 respondents)

**3,726**

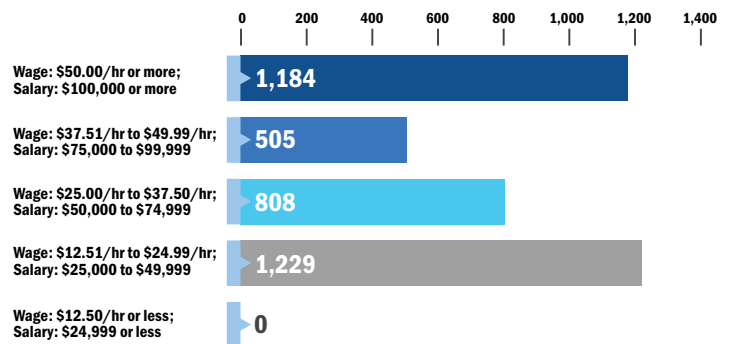
As of December 31, 2021 (31 respondents)

**+146**

Change in Reported Full-Time Jobs

## Wages

Respondents reported 3,726 total full-time jobs on December 31, 2021. One-third of these jobs provided an income of \$12.51/hr to \$24.99/hr or \$25,000 to \$49,999 annually. Almost a third of jobs provided an income of \$50.00/hr or more, equal to a minimum annual salary of \$100,000. The remaining 36 percent of jobs provided an income of \$25.00/hr to \$49.99/hr or \$50,000 to \$99,999 annually. No respondents reported full-time wages less than \$12.50, or up to \$24,999 annually.



## Salary Ranges: Full-time Jobs

**3,726**  
Total

**32%**

**1,184**

Wage: \$50.00/hr or more; Salary: \$100,000 or more

**14%**

**505**

Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999

**22%**

**808**

Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999

**33%**

**1,229**

Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999

**0%**

**0**

Wage: \$12.50/hr or less; Salary: \$24,999 or less

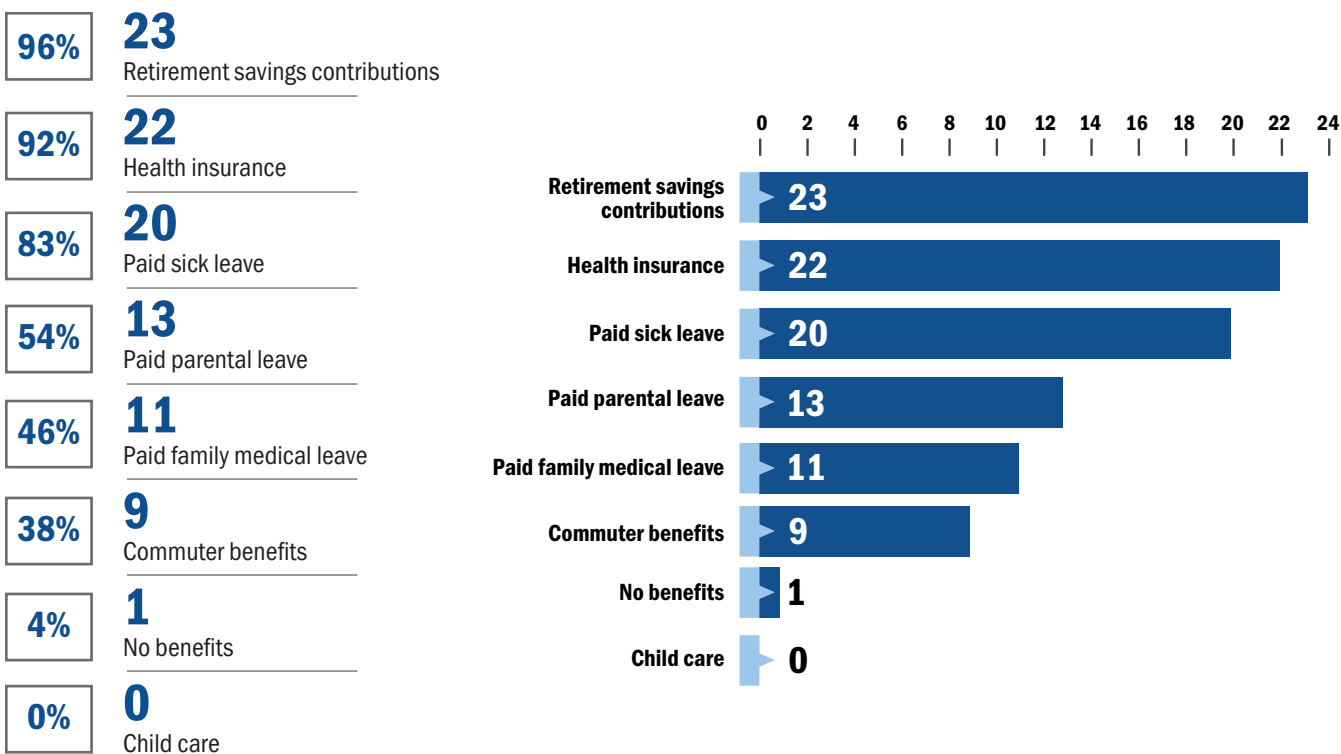




## Benefits

Almost all respondents reporting full-time employees offered contributions to a retirement savings account (96 percent) and health insurance (92 percent) to those employees. Over half provided paid parental leave. A slightly smaller number (83 percent) provided paid sick leave. Twenty-one out of 24 (or 88 percent) respondents provided at least three or more benefits to their full-time employees. These employers account for the majority of respondents that provided benefits other than health insurance and retirement savings contributions. This means that most businesses provided at least health coverage and retirement savings contributions for their full-time employees, while some businesses provided almost all or all benefits, and a handful provided health insurance and retirement savings contributions plus one additional benefit. No respondents provided child care benefits.

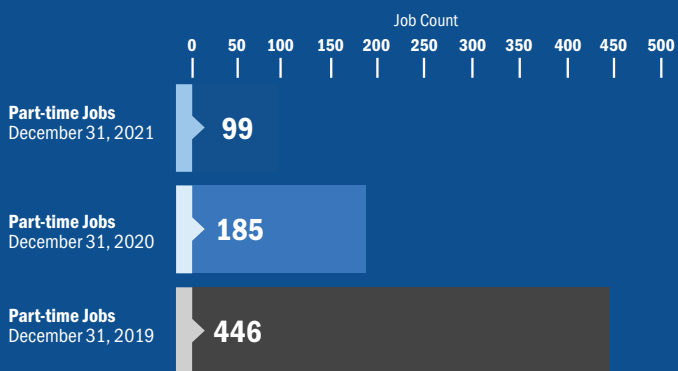
## Benefits: Full-time Jobs



# Part-Time Jobs

## Part-time Employment

Respondents reported 99 part-time jobs. This represents the total number of part-time employees on December 31, 2021 in each income bracket. Despite more survey responses in 2021, there were 86 fewer part-time jobs in Philadelphia reported amongst subsidy recipients compared to 2020. This may be partially explained by a year-over-year increase in temporary and contracted workers. One respondent accounted for the majority of part-time employment (64 jobs). Eight of the 31 respondents (or 26 percent) eligible for the analysis provided part-time employment data. Part-time employees are defined as those that work, on average, less than 30 hours or more a week.



## Number of Part-time Jobs

**446**

As of December 31, 2019

**185**

As of December 31, 2020

**99**

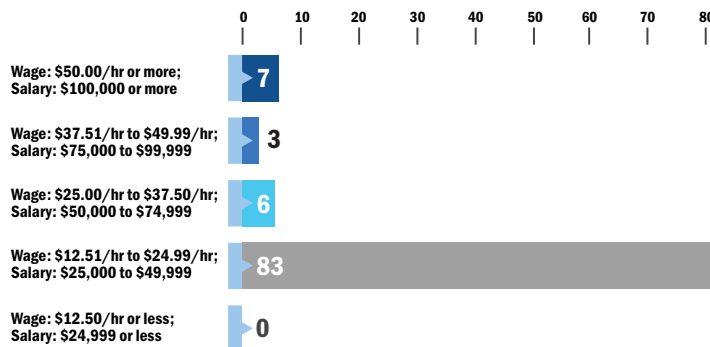
As of December 31, 2021

**-86**

Change in Reported Part-Time Jobs

## Wages

The majority of part-time jobs reported provided an income of \$12.51/hr to \$24.99/hr or \$25,000 to \$49,999 annually. About one-tenth provided an income of \$37.51/hr to over \$50.00/hr or a \$75,000 minimum annual salary. No respondents reported part-time wages less than \$12.50, or up to \$24,999 annually.



## Salary Ranges: Part-time Jobs

**83**

Total

**7%**

**7**

Wage: \$50.00/hr or more; Salary: \$100,000 or more

**3%**

**3**

Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999

**6%**

**6**

Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999

**84%**

**83**

Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999

**0%**

**0**

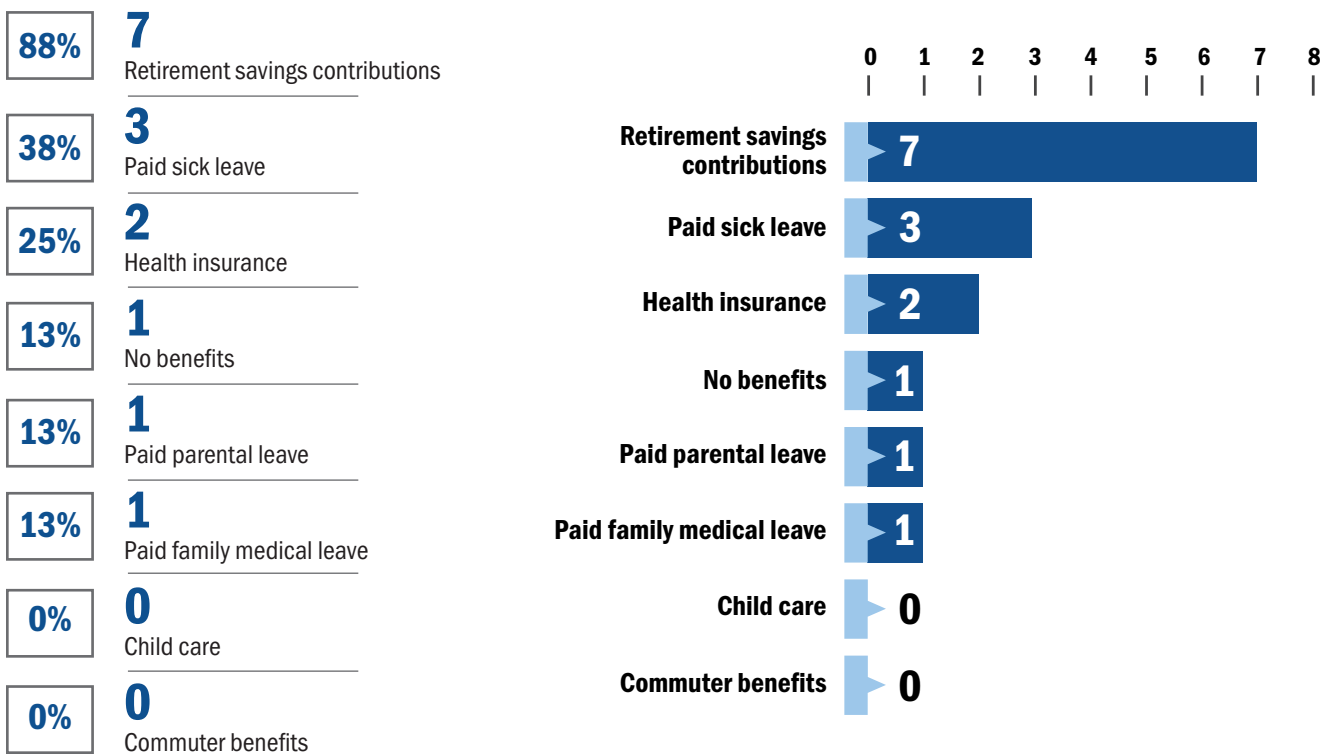
Wage: \$12.50/hr or less; Salary: \$24,999 or less



## Benefits

Most responding businesses (88 percent) provided at least one to two benefits for their part-time employees. The benefit most frequently provided to part-time employees was employer contributions to a retirement savings account. No respondents offered child care or transit benefits to their part-time workforce.

### Benefits: Part-time Jobs

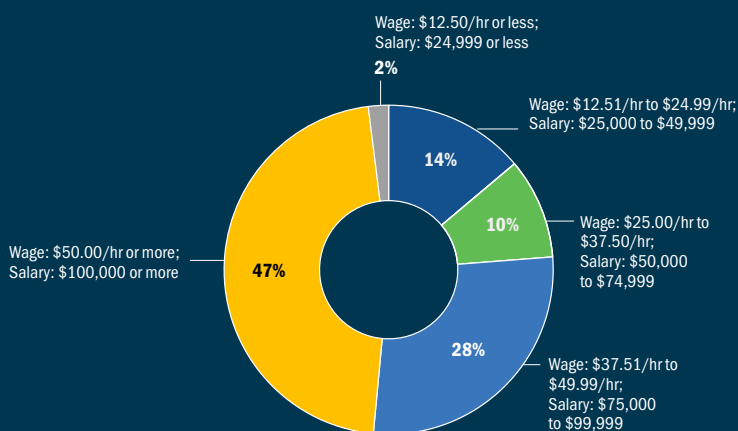




# Temporary And Contract Jobs

## Temporary or Seasonal Jobs

Respondents reported creating 189 temporary or seasonal jobs in 2021. One respondent accounted for the majority of temporary employment (118 jobs). Almost half of temporary jobs provided an income of \$50.00/hr or more, or minimum \$100,000 salary. Over one-fourth provided an income between \$37.51/hr to \$49.99/hr or \$75,000 to \$99,999 annually. Almost one-fourth provided an income between \$12.51/hr to \$37.50/hr or \$25,000 to \$74,999 annually. Only 2 percent of respondents reported seasonal wages less than \$12.50, or up to \$24,999 annually. Six out of 31 respondents (or 19 percent) eligible for this analysis provided data for temporary or seasonal employment.



## Contract Jobs

Additionally, respondents reported hiring 595 independent contractors in 2021, compared to 398 in 2020 and 512 in 2019. The total value of these contracts was \$30,910,172. On average, each contractor received \$51,950 for their services in 2021. Twenty-one of the 31 respondents (or 68 percent) provided data for independent contractors.

**595**

Total number of independent contractors utilized in 2021

**\$30,910,172**

Total amount spent on independent contractors in 2021



# Social Impact

## Youth Employment

Respondents reported participating in various activities that connected Philadelphia's youth to meaningful work experiences. Thirteen of 31 responding businesses (or 42 percent) provided some sort of youth work experience. All thirteen provided paid or unpaid internships and/or apprenticeships.

